

Press Release

NKCM Spinners Private Limited

January 28, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	35.50	ACUITE B+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	3.64	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	39.14	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to **'ACUITE B+' (read as ACUITE B plus)** from **'ACUITE BB-' (read as ACUITE double B minus)** and reaffirmed the short term rating of **'ACUITE A4' (read as ACUITE A four)** on the Rs. 39.14 crore bank facilities of NKCM Spinners Private Limited(NSPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Incorporated in 2008, NSPL manufactures 100 per cent viscose staple fibre of counts ranging from 20s to 60s, cotton yarn and blends of cotton/polyester at Namakkal in Tamil Nadu. The company, led by Managing Director Mr. Narendra Kumar Nakhath, has installed capacity of 15,160 spindles.

Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable.

Status of non-cooperation with previous CRA

Not Applicable.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Oct 2020	Proposed Bank Facility	Long Term	3.86	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	3.00	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	30.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	0.64	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.64	ACUITE BB- (Downgraded and Issuer not co-operating*)
20 Aug 2019	Cash Credit	Long Term	30.00	ACUITE BB Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	3.86	ACUITE BB Stable (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A4+ (Reaffirmed)
	Bank Guarantee	Short Term	0.64	ACUITE A4+ (Reaffirmed)
	Term Loan	Long Term	1.64	ACUITE BB Stable (Reaffirmed)
25 Feb 2019	Bank Guarantee	Short Term	0.64	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	30.00	ACUITE BB (Issuer not co-operating*)
	Letter of Credit	Short Term	3.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	5.50	ACUITE BB (Issuer not co-operating*)
	Cash Credit	Long Term	30.00	ACUITE BB Stable (Assigned)

15 Dec 2017	Term Loan	Long Term	5.50	ACUITE BB Stable (Assigned)
	Letter of Credit	Short Term	3.00	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	0.64	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	0.64	ACUITE A4 Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	3.86	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	1.64	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)

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About Acuité Ratings & Research

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 8,850 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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